



Health Services

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Christina R. Ghaly, M.D.
Deputy Director, Strategic Planning

June 26, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

APPROVAL OF AMENDMENTS TO TRAUMA CENTER SERVICE AGREEMENT AND RELATED FUNDING; AND SENATE BILL 1773 PEDIATRIC TRAUMA ALLOCATION FUNDING (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

Request approval to extend the term of Trauma Center Service Agreements with 12 non-County and two County designated trauma centers.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Health Services (Director), or his designee, to execute amendments to the Trauma Center Service Agreements (TCSAs) with the 12 non-County and two County designated trauma hospitals listed in Attachment A, to extend the term of the agreements for six months, for an estimated obligation of \$20.20 million for six months to the non-County Trauma Centers, subject to potential proportional parcel increases for the period of July 1, 2012 through December 31, 2012, for the provision of trauma center services.
2. Approve an estimated maximum amount up to \$12.72 million of those funds as an intergovernmental transfer for payment to the State to draw-down Medi-Cal matching funds (Federal Financial Participation) and provide the non-County trauma centers, excluding Ronald Reagan University of California, Los Angeles (UCLA) Medical Center and Antelope Valley Hospital, with an estimated additional Federal match of up to \$12.72 million reimbursement for trauma care.

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through collaboration with
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3. Approve the allocation and distribution through the TCSAs of an additional estimated \$2.12 million in Senate Bill (SB) 1773 pediatric trauma allocation (Richie's Fund) during the term of this extension. The four non-County Pediatric Trauma Centers (PTCs) excluding Northridge Hospital Medical Center (NHMC) will receive an estimated \$0.18 million, and the two County-operated PTCs will receive an estimated \$0.20 million. NHMC will receive \$1.74 million to help defray operating losses incurred in the second year of operation, as listed in Attachment B.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the first recommendation will allow the Director to execute Trauma Center Service Agreement (TCSA) Amendments, substantially similar to Exhibit I, to extend the term of each agreement for six months, for the period of July 1, 2012 through December 31, 2012, for the continued provision of trauma center services. Approval of this recommendation will also allow the Director to reimburse non-County trauma centers for care provided to eligible trauma patients for the six-month period of July 1, 2012 through December 31, 2012, as set forth in Exhibit B of the TCSA.

This additional six-month period is needed to allow the Department more time to complete negotiations with the Trauma Centers and resolve issues related to the intergovernmental transfer. The Department of Health Services (DHS) is currently consulting with the State regarding the intergovernmental.

Approval of the second recommendation will allow the Director to distribute an estimated maximum amount up to \$12.72 million as an intergovernmental transfer for payment to the State to draw-down Medi-Cal matching funds (Federal Financial Participation) and provide the non-County trauma centers, excluding Ronald Reagan University of California and Antelope Valley Hospital, Los Angeles (UCLA) Medical Center, with an estimated additional Federal match of up to \$12.72 million reimbursement for trauma care. DHS will seek to make an intergovernmental transfer of funds of up to \$12.72 million, or a lesser amount as allowed by law, to maximize Federal matching funds. If a lesser amount is used for the intergovernmental transfer, DHS will return to the Board to approve an Amendment to the TCSA to disburse the remaining funds.

Trauma care is vital to public health and safety. Trauma centers save lives by providing immediate coordination of highly specialized care for the most life-threatening injuries. In communities with access to trauma care centers, mortality and morbidity rates from traumatic injuries are significantly reduced.

Approval of the third recommendation will allow the Director to distribute Richie's Fund collected in Fiscal Year (FY) 2011-12 to the PTCs listed in Attachment B to augment the services provided to pediatric trauma patients.

Pediatric trauma care is vital to public health and safety. PTCs save children's lives by providing immediate coordination of highly specialized care for the most life-threatening injuries. In communities with access to pediatric trauma care centers, children's mortality and morbidity rates from traumatic injuries are significantly reduced. It is essential for children in need of pediatric trauma care to receive that care within the 60-minute period immediately following injury. It is during this period, referred to as the "golden hour," when the potential for survival is greatest, and the need for treatment for shock or injury is most critical.

SB 1773 requires that 15 percent, also known as Richie's Fund, be allocated to implement and expand pediatric trauma and emergency services at both County and non-County facilities. Since your Board's approval, NHMC has been designated a PTC, bringing the total number of PTCs operating in Los Angeles County to seven.

Since the Board's implementation of SB 1773 in March 2007, Richie's Fund allocations totaling \$9.47 million have been distributed as follows: \$2.85 million to the two County-operated PTCs; \$3.03 million to the four non-County PTCs; and \$3.59 million to NHMC to enhance pediatric trauma and emergency services. The funds being allocated are earmarked in the Legislation which expires on January 1, 2014 for the enhancement of pediatric trauma and emergency care. The TCSAs set out the trauma center and PTC service requirements.

DHS is working with Counsel representing the 11 private trauma hospitals to review these changes and the standard County contracting provisions in the new agreement. Once these issues are resolved, DHS will finalize a replacement agreement which will be brought forward to the Board for approval.

Implementation of Strategic Plan Goal

The recommended action supports Goal 3, Integrated Services Delivery of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

For the extension period of July 1, 2012 through December 31, 2012, the total estimated maximum obligation to non-County trauma centers will be \$20.20 million. Funding for the non-County trauma centers is based in part on Measure B Funding. This Measure B funding may vary subject to potential proportional parcel increases as approved by the Board.

This amount includes \$5.75 million for claims-based payments, \$12.34 million for periodic lump-sum payments for providing continued access to emergency care for Medi-Cal beneficiaries, and \$2.12 million for the special costs incurred for those trauma centers providing base hospital services. The \$5.75 million for claims-based amount consists of Measure B (approximately \$4.25 million) and SB 612 (Maddy) funds (approximately \$1.50 million).

During this extension period, an additional estimated \$2.12 million in Richie's Fund will be distributed to the existing PTCs based on projected FY 2011-12 collections. These funds will be allocated to the PTCs based on pediatric trauma volume as listed in Attachment B. DHS will work with the Chief Executive Office to include the funding and appropriation during the Supplemental changes phase of the 2012-13 budget process.

Funding is included in the DHS' FY 2012-13 Recommended Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to the authority granted under California Health and Safety (H&S) Code Section 1798.160, the County maintains trauma facilities as part of the regional trauma care system for treatment of potentially seriously injured persons. Division 2.5 of the H&S Code authorizes the local Emergency Medical Services Agency to designate Trauma Centers as part of the regional trauma care system. There are currently 12 non-County and two County-operated trauma centers in the County. The current TCSAs with these trauma centers expire June 30, 2012.

On November 6, 2002, Measure B, a ballot initiative, was passed by the voters of Los Angeles County. Measure B provides funding for trauma and emergency services as well as bioterrorism preparedness. A portion of these funds is allocated by the County to reimburse private Trauma Centers for care provided to County-responsible patients.

SB 1773 (Chapter 841 of the Statutes of 2006) authorized the County Board of Supervisors (Board), until December 31, 2008, subsequently extended to December 31, 2013 by Chapter 288 of the Statutes of 2008, to elect to levy an additional penalty in the amount of \$2 for every \$10, upon fines, penalties, and forfeitures collected for specific criminal offenses.

SB 1773 further authorized the Board to utilize fifteen percent (15%) of the funds collected pursuant to these provisions to provide funding for PTCs throughout the County, to enhance pediatric trauma and emergency care. County Counsel has approved Exhibit I as to form.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendation will ensure that the Trauma Centers will continue to provide the level of program services currently offered in the County through December 31, 2012.

Respectfully submitted,


Mitchell H. Katz, M.D.
Director

MHK:cc

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

TRAUMA CENTERS

NON-COUNTY TRAUMA CENTERS

1. Antelope Valley Hospital
2. California Hospital Medical Center
3. Cedars-Sinai Medical Center
4. Childrens Hospital Los Angeles
5. Henry Mayo Newhall Memorial Hospital
6. Huntington Memorial Hospital
7. Long Beach Memorial Hospital
8. Northridge Hospital Medical Center
9. Providence Holy Cross Medical Center
10. St. Francis Medical Center
11. St. Mary Medical Center
12. Ronald Reagan UCLA Medical Center

COUNTY-OPERATED TRAUMA CENTERS

1. Harbor/UCLA Medical Center
2. LAC+USC Medical Center

Agreement No. _____

TRAUMA CENTER SERVICE AGREEMENT

Amendment No. ____

THIS AMENDMENT is made and entered into this _____ day of _____, 2011,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

(hereafter "Contractor").

WHEREAS, on June 17, 2008, the County and Contractor, entered into Agreement No. _____ to provide Trauma Center Services; and

WHEREAS, on March 30, 2010, Amendment No. ____ to authorize a Trauma Center Services Agreement with _____ of Agreement No. _____; and

WHEREAS, on June 1, 2010, Amendment No. ____ to extend the term for one year, with an option to extend the term on a month-to-month basis, for up to one year through June 30, 2012 of Agreement No. _____; and

WHEREAS, on May 10, 2011, your Board approved Amendment No. ____ to reflect allocation and distribution of Senate Bill 1773 funding of Agreement No. _____; and

WHEREAS, it is the intent of the parties to extend the current amendment for a period of six months, on a month-to-month basis; and

WHEREAS, Agreement provides that changes in accordance with Additional Provisions, paragraph 24, Merger Provision may be made in the form of an amendment which is formally approved and executed by the parties; and

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective on July 1, 2012.
2. This Agreement is hereby amended to delete paragraph 1. Term, subparagraph A. in its entirety and replace it as follows:

“A. This Agreement supersedes all other previous agreements entitled “Trauma Center Service Agreement” and shall commence effective July 1, 2008, and it shall remain in full force and effect until December 31, 2012, without further action of the parties. In any event, County may terminate this Agreement in accordance with the TERMINATION Paragraphs of the ADDITIONAL PROVISIONS hereunder.”

3. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

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EXHIBIT I

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by the County's Director of Health Services and Contractor has caused this Amendment to be executed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: _____
Mitchell H. Katz, M.D.
Director of Health Services

CONTRACTOR

By: _____
Signature

Printed Name

Title

APPROVED AS TO FORM
BY THE OFFICE OF THE
COUNTY COUNSEL

ATTACHMENT B

PEDIATRIC TRAUMA CENTERS

NON-COUNTY PEDIATRIC TRAUMA CENTERS

**Estimated
Payment ⁽¹⁾**

1) Northridge Hospital Medical Center (New PTC)	\$ 1,740,000
Subtotal Northridge	<u>\$ 1,740,000</u>
2) Cedars-Sinai Medical Center	\$ 17,860
3) Children's Hospital Los Angeles	89,680
4) Long Beach Memorial Hospital	54,720
5) Ronald Reagan UCLA Medical Center	14,440
Subtotal Other PTCs	<u>\$ 176,700.0</u>
Non-County PTCs (1 to 5)	<u>\$ 1,916,700.0</u>
<u>COUNTY-OPERATED PEDIATRIC TRAUMA CENTERS</u>	
6) LAC+USC Medical Center	\$ 120,840
7) LAC-Harbor/UCLA Medical Center	82,460
Subtotal County PTCs	<u>\$ 203,300</u>
PTCs Total, Excluding Northridge (2 to 7)	<u>\$ 380,000</u>
Total Pediatric Allocation (1 to 7)	<u><u>\$ 2,120,000</u></u>

(1) Estimate based on projected collections for FY 11-12, actual amount will be based on final FY 11-12 collections.

TRAUMA CENTER SERVICE AGREEMENT

EXHIBIT B
PROVISIONS FOR REIMBURSEMENT

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TRAUMA CENTER SERVICE AGREEMENT

EXHIBIT B
PROVISIONS FOR REIMBURSEMENT

I. ELIGIBLE INDIGENT CARE FUNDING

A. GENERAL REIMBURSEMENT CONDITIONS: County has allocated certain monies as set forth herein to be used to pay Contractor for trauma care provided to eligible patients during the term of this Agreement. For the term of this Agreement, funds and Hospital Services Account funds shall be deposited to the County administered Special Revenue Funds referenced in Paragraph I.D.2. of Exhibit B. These deposits, together with other funds, which County may at its sole discretion allocate to the account from time to time, and any interest which the deposits may earn, shall be used to pay Contractor for trauma patient care.

Reimbursement to Contractor shall be provided from the Special Revenue Funds by County for the hospital component of treatment of trauma patients hereunder who are unable to pay for the treatment and for whom payment for such services has not been made and will not be made through private coverage or by any program funded in whole or in part by the federal government.

Contractor will determine and document persons who are eligible for services coverage hereunder. Only eligible patients (i.e., (1) those unable to pay for services, and (2) for whom there is no third-party coverage in part or in whole for trauma services provided, qualify under this funding program. No reimbursement shall be provided for patient care if the patient has the ability to pay for the service, but refuses or fails to pay for same. Nor is County responsible nor shall it pay for services hereunder if Contractor has failed to submit to any known third-party payer(s) for the patient, an accurate, complete, and timely billing, and for that reason has been denied payment by such payer(s). Nor shall reimbursement be due Contractor or paid by County hereunder for any patient care which is covered in, or the subject of reimbursement in, any other contract between Contractor and County.

To bill County, Contractor must at a minimum show that it has made reasonable efforts to secure payment from the patient by billing (at least monthly) for an additional period of no less than two (2) months after the date of discharge. Contractor must show that the person cannot afford to pay for the services provided by the Contractor; and, it must also show that payment for the services will

not be covered by third-party coverage or by any program funded in whole or in part by the federal government; and, that Contractor has not received payment for any portion of the amount billed.

County reimbursement is limited to trauma patients without the ability to pay for the services and for whom Contractor has made a reasonable, good faith effort to determine if there is a responsible private or public third-party source of payment, and there is no source of payment.

Contractor will continue to determine and document persons who are eligible for trauma care coverage hereunder in accordance with the procedures set forth in Attachment "B-1", Trauma Service County Eligibility ("TSCE") Protocol, attached hereto and incorporated herein by reference.

Attachment "B-1.1", Trauma Service County Eligibility ("TSCE") Agreement form shall be utilized by Contractor as the sole means for determining each patient's eligibility for trauma care coverage during the term of this Agreement. The TSCE Agreement form must be completed and signed by the patient or the patient's responsible relative(s). If a TSCE Agreement form cannot be secured because the patient or the patient's responsible relative(s) is (are) unable to

cooperate in providing the necessary financial information, then a Contractor certification to that effect (Attachment "B-1.2", Hospital Certification of Inability to Cooperate form) must be completed. The original (or electronic scan) of each such form must be maintained by Contractor as part of its financial records. Contractor shall submit a copy of the applicable form to the County Emergency Medical Services (EMS) Agency as stated in Attachment "B-4", Instructions for Submission of Claims and Data Collection.

Documentation to establish that Contractor has complied with the aforementioned patient eligibility requirements must be maintained by Contractor and made available upon request, pursuant to Paragraph 5, of the Additional Provisions Exhibit of this Agreement, to authorized County or State representatives for inspection, audit, and photocopying.

During the term of this Agreement, as required by Section 16818 of the Welfare and Institutions Code, (W&IC) Contractor shall continue to provide, at the time treatment is sought by a patient at its facility, individual notice of the availability of reduced cost hospital care under this Agreement. Additionally, Contractor shall post, in conspicuous places in its emergency department and patient

waiting rooms, notices of the procedures for applying for reduced cost hospital care hereunder. The approved "Notice" language is reflected in English in Attachment "B-2" and in Spanish in Attachment "B-3".

B. CONTINUED BILLING TO COUNTY: In the event funding as set forth in Paragraph I.D. of Exhibit B is exhausted prior to the expiration or other termination of this Agreement, Contractor shall continue to bill County, for remaining period up to such expiration or earlier termination, in accordance with the terms of this Agreement.

C. PAYMENT FOR CONTRACTOR SERVICES:

1. County agrees under the following conditions to reimburse Contractor for the hospital component of trauma services to eligible trauma patients described in Paragraph I.A. of Exhibit B, within forty-five (45) days of receipt of a valid claim:

a. Reimbursement by County shall be limited to payment for the hospital component of trauma services provided to eligible indigent patients for whom Contractor is required to complete a Trauma Patient Summary ("TPS") form, Attachment "D-2", of Agreement.

b. Contractor shall submit required reports as set forth in Attachment "B-4", Instructions for Submission of Claims and Data Collection, attached hereto and incorporated herein by reference to County's Emergency Medical Services Agency, 10100 Pioneer Boulevard, Suite 200, Santa Fe Springs, California 90670, for trauma care provided under the terms of this Agreement, and this care shall be reimbursed by County pursuant to subparagraphs I.C.1.d. and f. of Exhibit B.

c. Reimbursement by County shall be limited to the hospital component of trauma services provided to eligible indigent patients during the term of this Agreement. Reimbursement shall only be made on claims for which all required data is in the Trauma and Emergency Medicine Information System (TEMIS) and which has been submitted as required by reporting procedures reflected in Attachment "B-4". Reimbursement to Contractor and other County contract trauma service hospitals shall be made from the Special Revenue Funds (see infra.). All

Contractor claims for services provided during the the of July - December 2012 must be received by County within four (4) months after December 31, 2012, no later than the last working day of April 2013 d. Following receipt of all of the required reports and billings from Contractor and other contract trauma service hospitals and subject to the funding provision below, County payment hereunder for the hospital component of trauma services provided by Contractor to eligible trauma patients, as defined hereunder, shall be based on the following all-inclusive rates:

FY 2012-13
(July 1, 2012 - December 31, 2012)

\$ 6,425 per emergency department visit and assessment. (No such fee will be paid if the patient is admitted to the hospital as an inpatient from the emergency department.)

\$12,471 for the first inpatient day; and

\$ 5,417 for the second inpatient day; and

\$ 4,283 for the third inpatient day; and

\$ 4,283 for the fourth inpatient day; and

\$ 3,023 for each day thereafter.

These payments will be the maximum amounts payable to Contractor for care hereunder, with aggregate payment for all Contractors for services provided during the term of this Agreement until the allocated funds set forth in Paragraph I.D. of Exhibit B are exhausted.

e. Once the medical condition of a trauma patient has stabilized, Contractor may contact the County's Medical Alert Center or other personnel as designated by County to request transfer of the trauma patient in accordance with County patient transfer procedures and priority criteria as approved by Director. Until the transfer occurs, County's responsibility for reimbursement to Contractor for medically necessary services shall continue as described herein.

f. Any and all payments received by Contractor from a trauma patient or from third-party payers, or both, for claims previously billed to the County, must be immediately reported to the County. If Contractor previously received payment from the County for such claims, the Contractor must immediately submit a refund

of County's payment to the Special Revenue Funds Section, 313 North Figueroa Street, Room 505, Los Angeles, California 90012. A TRAUMA HOSPITAL PAYMENT REFUND FORM (Attachment B-6) must be completed and submitted for each refund. All such refunds received by County will be deposited to the Special Revenue Funds. If Contractor has not received payment from the County for such claims, the Contractor must withdraw the claim by notifying the EMS Agency Reimbursement Coordinator at 10100 Pioneer Boulevard, Suite 200, Santa Fe Springs, California 90670.

g. Director, at his/her discretion, may deduct from payments due to Contractor any prior overpayments made under this Agreement which were paid due to County's or to Contractor's clerical error or which resulted from Contractor's subsequent receipt of payment from the patient or third-party payer(s). County shall furnish Contractor with an itemization of such deductions, which will include the identity of the patient(s) for whose care overpayment was made, amounts of overpayment, and the basis for

the finding of overpayment.

h. Upon payment of claim to Contractor by County for a trauma patient's care, and assignment and subrogation to County of any and all rights to collection as set forth herein, Contractor shall within ninety (90) days of the receipt of those funds, cease all current and waive all future collection efforts, by itself and by its contractors/agents, to obtain any payment from the patient.

Contractor shall pursue reimbursement from third party coverage such as Medi-Cal, Medicare, other government programs, or other health insurance if they become aware of coverage. Contractor shall, upon verification of such third party coverage, submit a bill for its services to the third party. As soon as payment is received, Contractor shall reimburse County any payment received under the Trauma Center Service Agreement (TCSA) for that patient. Contractor agrees to assign and subrogate all rights that they may have against any patient, his/her responsible relative, any third party tortfeasor for reimbursement as a result of care and services provided by Contractor for which a

claim has been paid by County under the TCSA. At its sole discretion, County and/or its Contractor may proceed independently against such parties for reimbursement to the extent permitted by law. The rights hereby assigned and subrogated to County under this provision include reimbursement up to the full amount of usual and customary fees, (including, for example, billed charges) for patient care and services regardless of any amount the Contractor has received under the TCSA. In the event Contractor is contacted by other third party's representative (e.g., insurance claim adjuster) or a patient's attorney regarding pending litigation, Contractor shall indicate that the claim for services provided to their client is assigned and subrogated to the County and refer such representative to the designated County contact. Contractor shall reasonably cooperate with County in its collection efforts. In the event Contractor receives payment from a patient's attorney for a lien filed on behalf of the County, Contractor shall reimburse such payment to the County.

Examples of when these County collection efforts might occur would include, but not necessarily be

limited to, situations where there are third-party tortfeasors responsible for a patient's medical expenses.

For trauma patients admitted to Contractor's facility prior to or on the last day during the term of this Agreement, and remaining in the hospital after that date, reports and billings to County shall be submitted only after patient has been discharged in the subsequent month (no partial billings). Payment by County to Contractor for such patients shall be at the rates in effect on the date of admission. Said reports and billings shall be on forms, and completed in such detail and with such attachments in accordance with procedures prescribed in writing by Director in Attachment "B-4".

Contractor hereby acknowledges receipt of such forms, attachments, and procedures. Said reports shall be submitted to County's EMS Agency no later than within four (4) months after the close of the fiscal year during which services were provided, no later than the last working day of October of the following fiscal year.

i. Any funds received by the County, pursuant to Paragraph I.C.1.h., shall be deposited into the Special Revenue Funds.

2. All required reports and billings submitted by Contractor shall be rendered in the name of Contractor as said name appears upon the upper portion of the first page of this Agreement.

3. Contractor shall maintain and make available to State or County representatives upon request records of all of the financial information referenced in this Paragraph, including records of patient and third-party payer payments, all in accordance with Paragraph 5, of the Additional Provisions Exhibit of this Agreement.

4. County may periodically conduct an audit of the Contractor's records. Audits shall be performed in accordance with generally accepted auditing standards. The audit may be conducted on a statistically random sample of claims from the adjudicated universe for a fiscal year. The scope of the audit shall include an examination of patient medical and financial records, patient/insurance billing records, and collection agency reports associated with the sampled claims.

Audited paid claims that do not comply with program requirements shall result in a refund to the Special Revenue Funds. Any audited claim which is in violation of the Contract terms and conditions shall result in the Contractor refunding to the County the claim amount plus a penalty of fifty percent (50%) of the amount paid for that claim. Audit results may be appealed to the EMS Agency Director, or his/her designee.

Audited unpaid claims that do not comply with program requirements shall result in an adjustment in hospital's subsequent year's recommendations for Medi-Cal funding.

D. CLAIMS-BASED FUNDING: The parties have agreed to the following payment mechanisms for payment to the Contractors, with the maximum funding amount as set forth below to apply to the aggregate of payments made to the Contractor under the terms herein, and to payments made to all other trauma hospital Contractors under the terms of identical agreements with the County:

1. Funding (Claims Based) for FY 2012-13:

(July 1, 2012 - December 31, 2012): Except as set forth below, County has allocated an estimated maximum total amount of \$5.75 million. The parties acknowledge that this funding is comprised in part by

revenue generated by Measure B TPA Funds as allocated by the County Board of Supervisors and the Maddy Fund. The parties further acknowledge that the Measure B TPA Funds may vary based on (1) a percentage change, if any, in the total revenue generated for FY 2012-13 as compared to FY 2011-12 (the base year); and/or (2) the adjustment by the cumulative increase to the medical component of the Western Urban Consumer Price Index from July 1, 2010, as established by the United States Bureau of Labor Statistics if set by the Board of Supervisors, exclusively (Measure B Adjustment). The Maddy Fund allocated to this contract is based on total collections. As a result of potential Measure B Adjustment and fluctuations in Maddy Fund collections, the estimated total maximum allocation may be adjusted above or below the aggregate of \$5.75 million. The parties also agree that the amount resulting from any Measure B Adjustment applied to the Claims-Based Funding may be allocated, in whole, to increase the maximum obligation for the Lump-Sum Funding for Continued Access to Emergency Care for Medi-Cal Beneficiaries, as set forth below, rather than to the Claims-Based Funding maximum obligation.

2. All funds collected, including audit claim penalties, shall be deposited to the County contract trauma hospitals Special Revenue Funds and utilized to make payments to all County contract trauma service hospitals at the rates set forth in subparagraph I.C.1.d. of Exhibit B.

3. All County contract trauma hospital claims shall be paid on a first-come, first-validated basis, until all allocated funds are disbursed. All funds, including interest, shall be disbursed within forty-five (45) days of receipt of validated claims by County for Contractor services performed hereunder during the term of this Agreement, all pursuant to the rate schedule identified in subparagraph I.C.1.d. of Exhibit B.

4. "Claims" for purposes of the above means validated claims at the rate defined herein. In no event, however, shall the total disbursement under this Paragraph to Contractor for a claim exceed Contractor's aggregate charges for the services provided (based upon Contractor's customary rates in effect on the dates of service).

5. Maximum amounts payable under this Agreement shall not be modified if, and upon, designation of any other trauma center not a Contractor hereunder.

E. BILLING AND PAYMENT - PHYSICIAN SERVICES: A copy

of the revised Trauma Physician Services Program packet for County Fiscal Years 2010-11 through 2012-13, Attachment "B-5 ", is attached and incorporated herein by reference. The packet for future Fiscal Years shall be provided to Contractor as soon as available thereafter. To permit its physicians to bill County for the professional component of un-reimbursed trauma services furnished to Contractor's trauma patients during the term of this Agreement, Contractor shall furnish members of its physician staff providing such services with a copy of said packet.

Upon request, Director shall provide Contractor with reports showing total aggregate payments to trauma physicians reimbursed by County for the professional component of un-reimbursed trauma services provided to Contractor during the term of this Agreement.

F. RECOVERY OF PAYMENT: County shall recover monies paid to Contractor hereunder for any of the reasons which follow:

1. Contractor fails to furnish patient specific data and reports required by this Agreement or by the State, or by both. County shall recover all funds paid to Contractor for that patient.

2. Funds are used for patients deemed ineligible under this Agreement. County shall recover all amounts paid to Contractor for such patients.

3. Contractor has failed to submit to any known third-party payer(s) for the patient, an accurate, complete, and timely billing, and for that reason has been denied payment by such payer(s). County shall recover all amounts paid to Contractor for that patient.

4. Contractor had knowledge of a third party tortfeasor and failed to file a lien against such third party. County shall recover all amounts paid to Contractor for such patients, except as set forth in Paragraph I.C.1.h. of Exhibit B.

5. Any funds recovered by the County pursuant to Paragraph I.F. shall be deposited into the Special Revenue Funds.

II. LUMP SUM FUNDING FOR CONTINUED ACCESS TO EMERGENCY CARE FOR
MEDI-CAL BENEFICIARIES

The parties acknowledge that a State Plan Amendment (SPA) effective July 1, 2003, was approved by the United States Department of Health and Human Services, Center for Medicare and Medicaid Services. The SPA enables Los

Angeles County to receive enhanced Federal Medi-Cal matching funds upon payment by the County of an intergovernmental transfer (IGT) of funds pursuant to Section 14087.3 of the W&IC. Pursuant to the SPA and a related interagency agreement between the County and the California Department of Health Services (CDHS), the IGT and federal matching funds are distributed among the County-designated trauma hospitals to ensure continued access by Medi-Cal beneficiaries to trauma and emergency room care in the County.

Except for Ronald Reagan UCLA Medical Center and Antelope Valley Hospital, it is the intent of the County, and the County shall recommend to the State, that the funding to each trauma hospital be based on data regarding each hospital's actual trauma center losses, in accordance with the terms and conditions set forth in a separate agreement between the trauma hospital and the State, or its intermediary.

Due to their status as a public institution, Ronald Reagan UCLA Medical Center and Antelope Valley Hospital shall not receive federal matching funds, and the County shall instead provide directly to Ronald Reagan UCLA Medical Center and Antelope Valley Hospital any funding

allocation as described herein (with payments made at or about the same time that the other trauma hospitals receive the IGT and federal matching funds):

For FY 2012-13 (July 1, 2012 - December 31, 2012), the total County maximum obligation shall be \$12.34 million, funded by Measure B funds. Except as set forth in this Exhibit, the following funding allocation shall be the basis for the County's recommendation to the State for allocation of the IGT and federal matching funds:

Children's Hospital	\$ 382,494
All other trauma hospitals	\$11,956,009

The parties acknowledge that the above amounts are funded by Measure B TPA Funds as described above, and that this amount may increase based on (1) a percentage change, if any, in the total revenue generated for FY 2012-13 as compared to FY 2011-12 (the base year); and/or (2) an adjustment by the cumulative increase, if any, to the medical component of the Western Urban Consumer Price Index from July 1, 2010, as established by the United States Bureau of Labor Statistics if set by the Board of Supervisors, exclusively (Measure B Adjustment). As a result, the total maximum allocation may exceed the

aggregate of \$12.34 million, taking into account a Measure B Adjustment to the Measure B TPA Funds. The parties also agree that the amount resulting from any Measure B Adjustment applied to the Claims-Based Funding may be applied in whole to the Lump Sum Funding for Continued Access to Emergency Care for Medi-Cal Beneficiaries maximum obligation.

Except for the funding allocation to Ronald Reagan UCLA Medical Center and Antelope Valley Hospital, the total of the funding allocations above shall comprise the IGT during FY 2012-13 (July 1, 2012 - December 31, 2012), which will enable the County-designated trauma hospitals to receive federal matching funds in approximately the same amount, (or as altered by FMAP funding). The County shall recommend to the State that the IGT and federal matching funds be divided among all Contractor trauma hospitals according to trauma center losses as described above.

III. FUNDING FOR BASE HOSPITAL SERVICES FOR CONTINUED ACCESS TO EMERGENCY CARE FOR MEDI-CAL BENEFICIARIES:

To account for the special costs incurred for those Contractors providing base hospital services (Children's Hospital is not providing base hospital services), and to ensure continued access by Medi-Cal beneficiaries to

emergency rooms and emergency room care in the County by maintaining efficient prehospital transport of all patients to the most appropriate emergency room, the County has allocated funding for each such hospital.

It is the intent of the County to obtain federal matching funding for each County-designated trauma center providing base hospital services, except for Ronald Reagan UCLA Medical Center and Antelope Valley Hospital, through the SPA as described above.

Due to its status as a public institution, Ronald Reagan UCLA Medical Center and Antelope Valley Hospital shall not receive federal matching funds, and the County shall instead provide directly to Ronald Reagan UCLA Medical Center and Antelope Valley Hospital any funding allocation as described herein (with payments made at or about the same time that the other trauma hospitals receive the IGT and federal matching funds):

For FY 2012-13 (July 1, 2012 - December 31, 2012), the total maximum obligation shall be approximately \$3.58 million including the IGT match (approximately \$2.93 million for the IGT and federal matching funds, and \$650,972 for Ronald Reagan UCLA Medical Center and Antelope Valley Hospital). Except

as set forth in this Exhibit, the County shall determine the funding allocation of the IGT and federal matching funds, as well as the direct payment to Ronald Reagan UCLA Medical Center and Antelope Valley Hospital, by taking into account call volume for the prior calendar year of service, including SFTP's requiring medical direction (joint runs) and excluding information only calls for all trauma hospitals providing base hospital services, as follows:

<u>CALL VOLUME</u>	<u>6-MONTH MAXIMUM AMOUNT</u>
Up to 1,500 calls/month	\$ 325,486
1,501 to 3,000 calls/month	\$ 396,442
Over 3,000 calls/month	\$ 467,398

<u>CONTRACTOR</u>	<u>6-MONTH MAXIMUM AMOUNT</u>
California Hospital Medical Center	\$ 325,486
Cedars-Sinai Medical Center	\$ 325,486
Providence Holy Cross Medical Center	\$ 325,486
Huntington Memorial Medical Center	\$ 325,486
Henry Mayo Newhall Memorial	\$ 325,486
Long Beach Memorial Medical Center	\$ 325,486
Northridge Hospital Medical Center	\$ 325,486
St. Francis Medical Center	\$ 325,486

St. Mary Medical Center	\$	325,486
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The County shall provide the following directly to Ronald Reagan UCLA Medical Center:

CONTRACTOR	6-MONTH MAXIMUM AMOUNT
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Ronald Reagan UCLA Medical Center	\$	325,486
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Antelope Valley Hospital	\$ 325,486
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Except for Ronald Reagan UCLA Medical Center and Antelope Valley Hospital , the parties acknowledge that the funding allocations to be determined according to each trauma hospital's call volume shall be comprised of 50% of IGT and 50% of federal matching funds (or as altered by FMAP funding). If it is determined that the call volume for any or all of the trauma hospitals has increased such that the maximum amount to be paid exceeds the maximum County obligation as set forth above, the Department shall seek approval from the Board of Supervisors for additional funding as needed.

The parties acknowledge that this funding is comprised in part by revenue generated by Measure B TPA Funds as allocated by the County Board of Supervisors. The parties further acknowledge that the Measure B TPA Funds may vary based on (1) a percentage

change, if any, in the total revenue generated for FY 2012-13 as compared to FY 2011-12 (the base year); and/or (2) an adjustment by the cumulative increase to the medical component of the Western Urban Consumer Price Index from July 2010, as established by the United States Bureau of Labor Statistics if set by the Board of Supervisors, exclusively (Measure B Adjustment). As a result, the total County maximum allocation may exceed the aggregate of \$2.12 million, taking into account a Measure B Adjustment to the Measure B TPA Funds.

IV. FUNDING FOR PEDIATRIC TRAUMA CENTERS:

The parties acknowledge that Chapter 841 of the Statutes of 2006, authorized the County Board of Supervisors (Board), until December 31, 2008, to elect to levy an additional penalty in the amount of \$2 for every \$10, upon fines, penalties, and forfeitures collected for specific criminal offenses. This authority was subsequently extended to December 31, 2013 by Chapter 288 of the Statutes of 2008.

SB 1773 further authorized the Board to utilize fifteen percent (15%) of the funds collected pursuant to these provisions (known as Richie's fund) to provide

funding to enhance pediatric trauma services by both publicly and privately owned and operated Pediatric Trauma Centers (PTCs) throughout the County.

In keeping with the intent of Richie's Fund, the proposed allocation to the following PTCs is based on projected collections and pediatric trauma volume (excluding Northridge Hospital Medical Center [NHMC]).

During this extension period, the existing PTCs (LAC+USC Medical Center; Harbor/UCLA Medical Center; Cedars-Sinai Medical Center; Children's Hospital Los Angeles; Long Beach Memorial Hospital; and The Regents of The University of California, a California Corporation, on behalf of The University of California Los Angeles [excluding NHMC]) will receive from the County, an estimated \$380,000, based on FY 2011-12 collections. NHMC will receive an estimated allocation of \$1.74 million, for maintaining a PTC.

The proposed distribution of SB 1773 Pediatric Funding above may be modified as a result of an operational and system enhancement assessment conducted by the EMS Agency to determine the most appropriate and effective use of the funds.